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Consumer Financial Protection Bureau

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

CONSUMER FINANCIAL PROTECTION BUREAU,

Petitioner,

V.

SEILA LAW, LLC,
Respondent.

Case No. 8:17-CV-1081

PETITION TO ENFORCE CIVIL INVESTIGATIVE DEMAND

1 1. On February 27, 2017, the Consumer Financial Protection Bureau
2 (Bureau) issued a civil investigative demand (CID) to Seila Law, LLC (Seila Law).
3 The CID was issued as part of an investigation to determine whether “debt relief
4 providers, lead generators, or other unnamed persons are engaging in unlawful acts
5 or practices in the advertising, marketing, or sale of debt relief services or
6 products, including but not limited to debt negotiation, debt elimination, debt
7 settlement, and credit counseling, in violation of Sections 1031 and 1036 of the
8 Consumer Financial Protection Act of 2010 (CFPA) . . . , the Telemarketing Sales
9 Rule,” or any other “Federal consumer financial law.” The CID requested
10 responses to seven interrogatories and four document requests.

11 2. By this Petition, the Bureau seeks an order directing Seila Law to
12 show cause why it should not be required to comply with the CID. In support
13 thereof, the Bureau submits the accompanying Memorandum of Law, Declaration
14 of Jan Singelmann, and supporting documents.

Jurisdiction and Venue

16 3. This Court has subject-matter jurisdiction under § 1052(e)(1) of the
17 CFPA. 12 U.S.C. § 5562(e)(1).

18 4. Venue is proper because Seila Law resides and transacts business in
19 this district. 12 U.S.C. § 5562(e)(1).

Parties

21 5. The Bureau is an independent agency of the United States. 12 U.S.C.
22 § 5491(a).

23 6. Seila Law is located and transacts business in this district and received
24 the CID issued February 27, 2017, related to an investigation by the Bureau.

Service of the CID and Seila Law's Failure to Comply

7. To determine whether a “Federal consumer financial law” has been violated, CFPA § 1052(c) empowers the Bureau to issue a CID whenever it has any reason to believe that “any person . . . may have information[] relevant to a violation.” 12 U.S.C. § 5562(c)(1). A CID issued by the Bureau may, among other things, require the recipient to produce documents, respond to interrogatories, and provide written reports. *Id.*

8. On February 27, 2017, the Bureau served a CID on Seila Law. The CID required Seila Law to produce responses to seven interrogatories and four document requests by March 27, 2017.

9. As required by CFPA § 1052(c)(2), the CID contained a Notification of Purpose apprising Seila Law of the nature of the conduct under investigation and applicable provisions of law.

10. Counsel for the Bureau and Seila Law met and conferred to discuss the CID via teleconference on March 10, 2017. Following the meet-and-confer, Seila Law did not submit any written requests for a modification to the CID.

11. On March 19, 2017, Seila Law filed a Petition to Set Aside or Modify the CID.

12. On April 10, 2017, the Bureau’s Director denied Seila Law’s Petition and issued an order directing Seila Law to “produce all responsive documents, items, and information within its possession, custody, or control that are covered by the CID” within 10 calendar days of the Order. The order also invited Seila Law to engage in further discussions with the Bureau’s enforcement staff about modifying the CID.

13. On April 21, 2017, Bureau enforcement staff granted Seila Law's request for an extension of the deadline to respond to the CID to April 27, 2017.

14. On April 27, 2017, Seila Law submitted its response to the Bureau's CID.

15. After reviewing the production, the Bureau sent Seila Law a letter dated May 4, 2017 regarding Seila Law's incomplete production. In addition, the Bureau's letter detailed other deficiencies in the production, including Seila Law's unsupported assertions of the attorney-client privilege and its withholding of materials that plainly do not fall within the protections of the attorney-client privilege or any other privilege. The Bureau further explained that Seila Law's claims of confidentiality were not a basis for withholding responsive materials.

16. On May 22, 2017, Seila Law sent the Bureau a letter stating that Seila Law disputes the enforceability of the CID, the Bureau's authority over Seila Law, that "it is not under any obligation to respond to the CID," and that it would not provide any further information or documents in response to the CID.

17. Seila Law has therefore failed to comply with the CID duly served upon it. The Bureau requests the relief set forth below.

WHEREFORE, the Bureau requests:

1. An order directing Seila Law to show cause why it should not be required to comply with the CID;
2. After giving Seila Law an opportunity to respond to the order to show cause, and the Bureau an opportunity to respond, an order directing Seila Law to comply with the CID within ten days of the order or at a later date as may be established by the Bureau or the Court; and
3. Such other relief as this Court deems just and proper.

1 Dated: June 22, 2017

Respectfully submitted,

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3 GABRIEL O'MALLEY
4 Acting Deputy Enforcement Director for
5 Litigation

6 RICHA DASGUPTA
7 Acting Assistant Deputy Enforcement
8 Director for Litigation

9 /s/ Amy Radon
10 Amy Radon
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CERTIFICATE OF SERVICE

I hereby certify that on June 22, 2017, I caused a true and correct copy of the document entitled Petition to Enforce Civil Investigative Demand be served by U.S. mail and e-mail on counsel for Respondent Seila Law, LLC as follows:

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